

Washington State Auditor's Office
Accountability Audit Report

City of Chewelah
Stevens County

Audit Period
January 1, 2003 through December 31, 2003

Report No. 67513

Issue Date
November 5, 2004



Washington
State Auditor
Brian Sonntag

Audit Summary

**City of Chewelah
Stevens County
January 1, 2003 through December 31, 2003**

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the City of Chewelah for the period January 1, 2003, through December 31, 2003.

We performed audit procedures to determine whether the City complied with state laws and regulations and its own policies and procedures. We also evaluated the internal controls established by City's management. Our work focused on specific areas that have the potential for abuse or misuse of public resources.

RESULTS

In the areas examined, the City complied with state laws and regulations and its own policies and procedures. The City generally had sufficient internal controls in place to safeguard public assets.

RELATED REPORTS

Our opinion on the City's financial statements is provided in a separate report, which includes the City's financial statements.

CLOSING REMARKS

We thank City officials and personnel for their assistance and cooperation during the audit.

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Stevens County
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Description of the City

City of Chewelah Stevens County January 1, 2003 through December 31, 2003

ABOUT THE CITY

The City of Chewelah serves 2,200 citizens in Stevens County. It has a mayor-council form of government with seven elected Council Members and an independently elected Mayor. The City operates on a \$7.1 million annual budget. Its 28 employees provide an array of services including electric, water and sewer utilities; public safety, fire prevention, street improvement, parks and general administration. In addition, the City operates a municipal airport, library and cemeteries.

AUDIT HISTORY

We audit the City each year. Prior audit reports have been free of findings. This history reflects the City's commitment to strong internal controls and compliance with state laws.

ELECTED OFFICIALS

These officials served during the audit period:

Mayor
Council Members:

H. Clarence Bauman
Sharon L. Ludwig
Greg Rolstad
Danielle Garcia
Todd Serr
Eugene DuCharme
Michael Schuller
Belinda P. Playfair

APPOINTED OFFICIALS

City Administrator
Clerk Treasurer
City Attorney

Jon C. Lind
Pamela McCart
Patrick Monasmith

ADDRESS

City

301 East Clay
P.O. Box 258
Chewelah, WA 99109-0258
(509) 935-8311

Audit Areas Examined

**City of Chewelah
Stevens County
January 1, 2003 through December 31, 2003**

In keeping with general auditing practices, we do not examine every portion of the City of Chewelah's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the City were examined during this audit period:

ACCOUNTABILITY FOR PUBLIC RESOURCES

We evaluated the City's accountability in the following areas:

- Cash receipting
- Utility billing and receipting
- Electronic data processing
- Payroll
- Purchase of goods and services
- Journal entries

LEGAL COMPLIANCE

We audited the following areas for compliance with certain applicable state and local laws and regulations:

- Budget requirements
- Ethics/conflict of interest laws
- Grant agreements
- Open Public Meetings Act

FINANCIAL AREAS

Our opinion on the City's financial statements is provided in a separate report. That report includes the City's financial statements and other required financial information. We examined the financial activity and balances of the City including:

- Cash and investments
- Revenues
- Expenditures
- Long-term debt
- Overall presentation of the financial statements and notes